13.25 hrs.

Title: President's Address to both Houses of Parliament assembled together on the 25th February, 2002. − Laid.

SECRETARY-GENERAL: Sir, I beg to lay on the Table a copy of the President's Address** to both Houses of Parliament assembled together on the 25th February, 2002.

Honourable Members

It gives me great pleasure to welcome you to this first session of Parliament in 2002. My best wishes are with you for the successful completion of the heavy budgetary and legislative business ahead.

2. As we begin this session, most of the results of the elections to the Legislative Assemblies of four States - Uttar Pradesh, Punjab, Manipur, and Uttaranchal - have come in. I join you in congratulating the newly elected legislators. Our special felicitations go to the people of Uttaranchal, who have elected their Vidhan Sabha for the first time after the formation of their State. I also welcome the newly elected Members of the Lok Sabha, consequent to the bye-elections in some constituencies.

3. This is the first session of Parliament after the unprecedented terrorist attack on this Temple of India""""""""""""""""""""'s Democracy on December 13 last year. It was an audacious challenge to our sovereignty. It was an assault on our national honour. It was a diabolical plot to carry out large-scale annihilation of the leaders of different political parties and peoples"""""""""""""""""""" representatives. Had the plot succeeded, it would have resulted in a catastrophe of unthinkable proportions. Nine brave souls sacrificed their lives to defend our Parliament and its members. We pay our grateful homage to these martyrs.

4. What happened on December 13 was the nadir of a long list of reprehensible acts in a twenty-year long campaign of cross-border terrorism against India. It strengthened our resolve to deal decisively and conclusively with this challenge. The investigation into this conspiracy has clearly revealed the hand of terrorist organizations, which have for long operated from Pakistani soil with the support of the ruling establishment of that country. It is now also established that these terror outfits are closely aligned through ideology, inspiration, resources, and logistics to those who carried out the terrorist attacks against the United States on September 11, 2001.

5. My Government has made it absolutely clear that India is determined to end cross-border terrorism by all the means at our command. The brave jawans and officers of our armed forces have been fully mobilized on our western borders and have maintained vigil despite difficult conditions. The necessary level of military strength and preparedness will be maintained to deter any aggression. On a parallel track, we have taken several diplomatic and political measures against Pakistan. We have also intensified our efforts to increase awareness among the Governments and the peoples of the world on our just struggle against cross-border terrorism. We have emphasized that terrorism cannot be condemned somewhere and condoned elsewhere. The fight against terrorism has to be global and comprehensive. It should target not only the terrorist, but also those who sponsor, finance, support, or shelter them. Several Members of Parliament, belonging to different political parties, have travelled to various capitals of the world in recent weeks as a part of this exercise. There is far greater appreciation and support abroad for India""""""""""""""""""""'s position than ever before. An illustration of this is our success in persuading the United Arab Emirates to hand over a key accused in the recent terrorist attack in Kolkata.

6. The entire nation is united in this decisive phase of the battle against terrorism. The complete consensus among political parties on this issue has once again demonstrated the maturity and greatness of our democracy.

7. We keep hearing calls of resumption of dialogue with Pakistan. Terrorism and dialogue cannot go together. Recent history is witness to the fact that, whereas India has always been ready for meaningful and fruitful talks with Pakistan, it is Pakistan that has ensured their failure with its acts of betrayal. India is prepared to resume the dialogue process with Pakistan, provided Islamabad satisfies us that it has indeed taken effective steps to end the training, equipping and financing of the terrorists and stop their infiltration into Jammu and Kashmir and other parts of India. We also demand that Islamabad hand over to us the twenty terrorists who have committed grave crimes in India and who continue to receive shelter in Pakistan. Positive action by Islamabad on these demands is the test of its sincerity to end its hostility against India and to pave the way for discussing all the outstanding issues, including that of Jammu and Kashmir, in a peaceful manner, through bilateral dialogue.

8. The Government has a clear strategy to deal with the internal situation in Jammu and Kashmir. First, to counter the terrorists with a firm hand. In this, our security forces have already recorded demonstrable successes. We shall triumph in our mission to root out terrorism from Jammu and Kashmir in the same way that we did in Punjab in the last decade. Let no one have any doubts about it. The second objective in our strategy is to support faster economic development of all the three regions of the State, especially to create employment for the youth. Thirdly,

we are prepared to talk with any group of people within the State who eschew the path of violence and who may have legitimate grievances.

9. The people of Jammu and Kashmir will elect a new Legislative Assembly later this year, through free and fair elections. No doubt, we have to be vigilant against those who have no faith in democracy and have shown their willingness to go to any length to subvert the manifestation of people"""""""""""""""""""""""""s aspirations. I am confident that the forthcoming elections will help the return of peace and normalcy, and accelerate the process of all-round development of Jammu and Kashmir.

10. The Government attaches the highest priority to national security. Based on the recommendations of the Group of Ministers, which comprehensively reviewed our National Security systems, far-reaching reforms are being carried out in the higher defence management, leading to closer coordination between the three services of the Armed Forces and integration of military and civilian defence structures. A separate Defence Procurement Board has been set up to speed up defence purchases, make them more responsive to needs of the Armed Forces, and to bring greater transparency in procurement.

11. I congratulate our defence scientists and engineers for the successful test of the Agni missile last month. Coupled with other missiles, which we have already tested, this will strengthen India"""""""""""""""""""""""""s defence against any military adventures aimed at us.

12. In our continuing quest for self-reliance, the manufacture of many types of defence equipment has been opened up to the private sector, so that our national security can benefit from the impressive capabilities developed in recent decades by private Indian companies. They may now apply for licenses to set up defence industries, and to establish collaborations with public-sector defence undertakings. Such companies can also have foreign direct investment of up to 26 percent of the equity. This will impart a new vigour to indigenous defence production and exports.

13. Internal security has now become an integral part of national security. The Union Government, in close cooperation with State Governments, has been taking necessary steps to strengthen internal security throughout the country. Today terrorism and organized crime pose the most serious threat to internal security. They also endanger our external security and our national unity because of their well-known links to the network of anti-India forces in our neighbourhood. The Government therefore thought it necessary to put in place a federal law to deal effectively and expeditiously with terrorist offences. In this exercise, it was also guided by similar laws already in place in some States or being considered in others. Accordingly, the Prevention of Terrorism Ordinance 2001 was promulgated on October 24, 2001. Since Parliament could not pass the Bill to replace it, this ordinance had to be re-promulgated. While doing so, the Government took care to seek suggestions from various political parties and made suitable modifications.

14. Maintenance of communal harmony and adherence to the secular ideals of our Constitution are the bedrock of our national ethos. I wish to record with much satisfaction that, in keeping with the trend in recent years, there have been relatively fewer incidents of communal violence in 2001. However, the Government will continue to maintain vigil against those who try to foment communal trouble. Towards this end, it has banned some fundamentalist organizations for their anti-national activities. I appeal to the people and to all political and non-political organizations to do everything they can to fortify peace and amity in our multi-religious society and, thereby, further strengthen the bonds of national unity.

15. The Ayodhya dispute is one of the contentious issues before the Nation. Its amicable and speedy resolution is crucial for communal harmony and national integration. The Government is firmly of the view that this dispute can be resolved, either through mutual agreement among all the parties concerned, or through a verdict of the judiciary. To facilitate a resolution of this dispute, an Ayodhya Cell has been recently created in the Cabinet Secretariat. The Government of India, being the statutory receiver, is duty bound to maintain the status quo at the disputed site in Ayodhya. It will also ensure that all necessary measures will be taken to ensure the preservation of law and order.

16. Peace, security, and development in the North East continue to receive my Government"""""""""""""""""""""""""s focussed attention. Militancy and extremism are the chief obstacles to tranquility, prosperity, and welfare in the region. The mischievous hand of anti-India forces in the neighbourhood is clearly at work behind many of these extremist groups. The Government will deal firmly with those who have taken to the path of violence. However, it is ready to hold talks with all those who reject the culture of the gun. Simultaneously, it will continue to respond sensitively to the grievances of the people in this multi-ethnic region. For the first time, a special Ministry for the Development of the North Eastern Region has been set up. The North Eastern Council has been strengthened. Tardy implementation of various developmental projects, for which large sums have been set aside, has long been the bane of the North East. The new Ministry has begun to reverse this state of affairs. I urge all the State Governments in the region to fully cooperate in this endeavour.

17. The peace process in Nagaland has been strengthened with the satisfactory progress of talks with various militant groups. What is especially heartening in the last one year is that the people of Nagaland have come out strongly in favour of peace, dialogue, and development, often by staging spontaneous mass activities. Mizoram has already been reaping the benefits of peace. The Government will fully support the efforts of all the other North-Eastern States to emulate their example.

18. A healthy economy is vital to secure our twin objectives of national security and all-round development. The slowdown in the global economy has also affected India. There was a decline in the rate of growth in 2000-2001. However, the advance estimates for the current year show a pick-up in growth to 5.4 percent, restoring India to the group of the five fastest growing large economies in the world. However, this rate of growth is neither sufficient nor satisfactory. We need to accelerate a host of reforms to enable our economy to reach a trajectory of growth of 8 percent and above. This alone can ensure success in our objective of doubling per capita income in the next ten years and reducing the number of people living below the poverty line by half. Realizing the urgency of this task, the Government has constituted a Cabinet Committee on Economic Reforms, with the mandate of drawing up, facilitating, and monitoring the implementation of the reform agenda.

19. The Tenth Five-Year Plan begins this year. The Approach Paper to the Plan aims at the stepping up the growth rate of GDP to 8 percent a year over the Plan period 2002-2007. It also proposes to establish specific, monitorable targets covering economic, social, and environmental dimensions of human development. The attainment of Plan targets is contingent on our ability to significantly increase the investment rate in our economy; step up the productivity of existing capital assets; undertake second generation policy reforms to improve the efficiency of new investment; and facilitate and encourage a deepening and broadening of reforms in all the States.

20. I join all of you in extending hearty congratulations to our kisans who have once again produced a bumper crop. The output of foodgrains is projected to touch a new high of 210 million tonnes in 2001-2002, from 196 million tonnes last year. With production of 81 million tonnes of milk during 2000-2001, India continues to be the world"""""""""""""""""""""""s largest producer of dairy products. We have also made impressive strides in many other areas of agricultural production.

21. The Government proposes to respond to the new situation with several measures to free Indian agriculture from the shackles of the past. The Essential Commodities Act will be modified. Restrictions on inter-State movement of agricultural commodities will be removed to enable farmers to realize better prices. The sugar industry, which has already begun to benefit from de-licensing, will also be fully decontrolled soon. For the first time, sugar mills have been allowed to supply ethanol to be mixed with petrol and diesel, up to five percent. This will not only result in savings in our oil imports, but also add to the commercial viability of our sugar mills. Above all, the sugarcane farmer will be able to gain a higher price. The Government is committed to strengthening the cooperative sector by enabling it to reap the full benefits of economic reforms. Timely and adequate credit is almost as important as timely and adequate water supply in the development of agriculture. The Government will take steps to strengthen rural credit cooperatives, which provide this critical input to kisans at their doorsteps, for the sake of agricultural sustainability and farmers""""""""""""""""""""""" well-being.

22. Food security of the poorest of the poor is the first priority of our agricultural policy. Accordingly, the allocation of foodgrains under Targetted Public Distribution System (TPDS) for BPL families, which was increased from 10 kilos per family per month to 20 kilos per family per month from April 2000, has been further increased to 25 kilos per family per month from July 2001. The Central Issue Price of foodgrains for APL families has also been reduced to about seventy percent of the economic cost. In addition, more than three million tonnes of foodgrains have been allotted to eleven States affected by drought or other natural calamities, free of cost, since January 2001 for undertaking the Food for Work programmes.

23. Wastage and losses in production, transportation, and distribution continue to be a major bane of the food economy in India. It is estimated that the harvest and post-harvest losses in agricultural commodities are over Rs. 70,000 crore each year. The Government proposes to formulate a comprehensive strategy to check these losses.

24. India"""""""""""""""""""""""s cattle wealth is one of the neglected areas of our rural economy. Last year the Government set up a "National Commission on Cattle" to review the relevant laws relating to protection, preservation, development, well being, and movement of cattle, and to ensure improved functioning of gaushalas, gausadans, and pinjarapoles. The recommendations of the Commission will be given serious consideration.

25. Industrial growth at 2.2 percent in April-November 2001 is lower than 6 percent achieved in April-November 2000. This decline in industrial growth is attributable to various factors including external slowdown, the business cycles, inherent adjustment lags of corporate restructuring, etc. and the consequent decline in both consumer and investment demand.

26. Despite the slowdown in certain sectors of our economy, its fundamentals continue to be robust. Inflation has touched a new low, the lowest in the last two decades. Our foreign exchange reserves are at a record level. Foreign direct investment has risen. Despite a hardening of international prices of petroleum products during the course of last year, the country""""""""""""""""'s balance of payments situation has remained comfortable. India""""""""""""""""'s exports continued to show positive growth. Indeed, the rate of growth in the last fiscal year was the highest in the past decade.

27. India successfully defended her national interests at the WTO Ministerial Conference in Doha last year. We coordinated with like-minded developing countries to highlight various implementation concerns arising from the Uruguay Round Agreements. We also ensured that the subsequent round of trade negotiations would address the key concerns of the developing world.

28. The various policy reforms unveiled by the Government in the past few years to improve the economic environment and remove infrastructure bottlenecks have begun to show results. This is clearly seen in the crucial sector of telecom services. I am happy to inform the Honourable Members that India now adds one thousand telephone lines every hour. The number of cellular phone subscribers has crossed 5.7 million from a mere 1.2 million in 1999. The number of fixed line connections has risen to more than 36 million from 21 million in 1999. Many more Indians today have access to telecom services, including in rural and remote areas. But, unbelievably, they are also paying far less than before. The STD rates have fallen by up to 62 percent. Today, a farmer can make calls to many places in his district almost at local call rates.

29. A similar achievement is also seen in bringing the benefits of information technology to the masses. Internet subscribers have grown to nearly four million from a modest base of quarter of a million in 1999. The usage of the Internet in Indian languages is also steadily increasing. Honourable Members can now read on the same day several newspapers of their States on the Internet when they are in Delhi to attend to Parliamentary business. We can therefore claim with legitimate pride that we have indeed reduced the Digital Divide to some extent, although a long way still needs to be traversed. Driving this process of ensuring faster, wider, and cheaper digital connectivity across the nation is the new Ministry of Communications and Information Technology. It has been created by merging the Ministries of Communication and Information Technology to respond to the imperative of technological convergence, keeping in view the natural synergies between the two sectors.

30. In spite of a downturn in the global economy, India has continued to maintain its dominant place in IT exports. From a negligible base ten years ago, our software exports now contribute 14 percent of India""""""""""""""""'s total exports. The IT software and services industry in India accounts for about 1.7 percent of India""""""""""""""""'s GDP. We are well on our way to achieving our target of software exports of $ 50 billion by the year 2008. Other knowledge-based industries like biotechnology too are at a take-off stage, and their contribution to the economy will only rise in the coming years.

31. India""""""""""""""""'s entertainment industry has emerged as a leading-edge sector in the knowledge economy, with a huge promise for the future. Exports of Indian films have practically doubled every year for the last three years. The Government is taking several supportive policy initiatives to increase the exposure as well as exports of our films and music to world markets. This will also enable Indian content and service providers to become as sought after abroad as our IT professionals are. Our liberalized policies, both in television and FM radio, have already resulted in increased private investments and more choices for consumers. The Government has approved a special package for development of broadcasting services in the North East. The Government has initiated action to set up a world-class National Press Centre. In recognition of the risks run by working journalists, a scheme for journalists""""""""""""""""' welfare has been notified.

32. If providing universal "Digital Connectivity" is one of the Government""""""""""""""""'s priorities, the other is to speedily and significantly improve physical connectivity all across the country. Two specific projects the Government has launched to achieve this objective - and both are among the most ambitious infrastructure projects since Independence - are the National Highway Development Project and the Pradhan Mantri Gram Sadak Yojana.

33. With the speedy progress of the National Highway Development Project, the Government is promoting road development on a massive and unprecedented scale. Thirteen thousand kilometres of National Highways are being widened to four and six lanes. Of this, 1,800 kilometres have already been widened. The first phase of this project, namely the Golden Quadrilateral connecting the four metros, is progressing almost a year ahead of schedule. It is expected to be completed by the end of 2003. The National Highways Authority of India will spend Rs. 10,000 crore during each of the next two years. This first phase alone will generate 19 crore mandays of direct employment. In addition, it is going to create a demand for 10 million tonnes of cement, 1 million tonne of steel, and a very large quantity of road-related domestically manufactured equipment. Further, the Union Government is giving almost Rs. 1,000 crore a year to States to improve State Highways and Major District Roads.

34. The implementation of the Pradhan Mantri Gram Sadak Yojana has begun in right earnest. In its first phase, construction of all-weather roads to unconnected villages with a population of more than 1,000 will be completed by 2007. Under this fully Centrally funded scheme, proposals amounting to nearly Rs. 7,000 crore have already been sanctioned in all the States and Union Territories. The Government proposes to further enhance allocation to this scheme through non-budgetary resources.

35. A non-lapsable Special Railway Safety Fund of Rs. 17,000 crore has been formed for replacement of Railway assets, especially in safety related areas. With the Ninth Plan, which comes to an end this year, Indian Railways would achieve the target of electrification of 2,300 route kilometres. With this, 25.2 percent of the Indian Railways network will be electrified, hauling about 63 percent of freight and 49 percent of passenger traffic.

36. Ministry of Shipping, newly created to give greater focus to this critical infrastructure, has been able to achieve significant increase in the capacity as well as the efficiency of our major ports. For the first time, ships do not have to wait for berthing. The Government will soon announce new policy initiatives to encourage Indian-owned shipping companies to compete globally. An Inland Water Transport Development Council has been set up. The amendment to the relevant Act, which was passed last year, has helped to bring about organizational changes in the Inland Waterways Authority of India and authorized it to raise funds from the market by issue of bonds or debentures. These steps will help our country realize the huge potential for this cost-effective and less polluting mode of bulk transport.

37. The Indian power sector is at crossroads today. The country has a persistent peaking shortage of 13 percent and energy shortage of 7 percent, coupled with poor quality of supply, low voltage and grid instability. The primary reason for this alarming situation in the power sector is the deteriorating financial health of the State Electricity Boards and State Utilities. The yearly losses of the State Electricity Boards have increased from Rs. 4,560 crore in 1992-93 to Rs. 20,527 crore in 2000-01. This poor financial health of the State Electricity Boards is due to various factors which include large-scale theft of electricity and unsustainable cross-subsidy in favour of domestic and agricultural consumers.

38. To give further impetus to reforms in the electricity sector, the Government has drafted a new Electricity Bill, which was introduced in the Parliament last year. The Bill would make reforms mandatory across all States and it would be incumbent upon the States to set up their own State Electricity Regulatory Commissions. At the same time, however, the Bill is flexible and gives freedom to the State concerned to adopt its own model of reforms depending upon the ground realities.

39. The dismantling of Administered Pricing Mechanism from April this year would result in the gradual emergence of a competitive market with minimal intervention, thereby benefiting both the consumers of petroleum products and the petroleum industry. The provision of subsidies through the Government budget, instead of the oil pool account mechanism, would be a more transparent mechanism. For the first time, seven blocks of coal bed methane have recently been awarded to tap non-conventional sources of hydrocarbons. Contracts for these are expected to be signed soon. I am happy to announce that the waiting list of over 1.1 crore LPG connections was entirely liquidated in 2001. Over 1,500 LPG distributorships are proposed exclusively for rural areas to increase the reach of LPG for rural people.

40. The textile sector plays a critical role in the Indian economy. The new textile policy has helped the industry to prepare itself for the challenges of the phasing out of the Multi-Fibre Agreement in 2005. The Technology Upgradation Fund is helping in speedy modernization, which is critical for facing global competition from other textile producing countries.

41. The New Tourism Policy is in the process of finalization. It has been discussed widely with State Governments, the hotel industry, tourism and travel operators, and other concerned organizations. It aims to develop integrated tourism circuits of international standards, and leverage India""""""""""""""""s unique attractions. By focusing on public-private partnerships to provide infrastructure and tourism services, and by promoting environmental sustainability and the development of heritage sites, this forward-looking policy will help Indian tourism become a major catalyst of economic growth, employment generation, and earner of foreign exchange.

42. The Public sector has played a laudable role in enabling our country to achieve the national objective of self-reliance. However, the significantly changed economic environment that now prevails both in India and globally makes it imperative for both the public sector and the private sector to become competitive. Learning from our experience, especially over the last decade, it is evident that disinvestment in public sector enterprises is no longer a matter of choice, but an imperative. The prolonged fiscal haemorrhage from the majority of these enterprises cannot be sustained any longer. The disinvestment policy and the transparent procedures adopted for disinvestment have now been widely accepted and the shift in emphasis from disinvestment of minority shares to strategic sale, has yielded excellent results. The Government has taken two major initiatives to improve the safety

net for the workers of PSUs. The first, enhanced VRS benefits in those PSUs where wage revision had not taken place in 1992 or 1997. The second, increased training opportunities for self-employment for workers retiring under VRS.

43. To ensure productive utilisation of our resources, it is not desirable that these remain locked up in unviable, non-operating units. It would be much better for the units, its workers and creditors and the economy in general, if there was a system of quick take over of non-viable units, so that capital continues to be productively employed. There is accordingly, a need to urgently bring about a bankruptcy legislation, which will allow quick payment of the dues of workers and exit of non-viable firms.

44. The removal of Quantitative Restrictions has thrown up several challenges and opportunities for the Small Scale Sector, bringing global competition to its doorsteps. To overcome this challenge of increased competition, the sector has to raise its efficiency to attain global standards in product quality with internationally competitive prices. The Government is already implementing many schemes to assist this sector. More will be formulated, if necessary.

45. Electoral reforms for strengthening our democratic system are long overdue. As a part of this endeavour, greater transparency in accounts of political parties and incentives for payment by cheque are being put in place. The Government has also decided to amend the system of elections to the Rajya Sabha by introducing open voting and by doing away with requirement of residence in a particular State for contesting an election to the Rajya Sabha from that State.

46. Fast Track Courts are taking up sessions cases pending for two years or more and the cases of undertrials in jails. At present there are about two lakh undertrials in jails on whose maintenance State Governments spend about Rs. 400 crore a year. Presently, Lok Adalats can settle disputes only on the basis of compromise or settlement between the parties. If the parties do not arrive at a settlement or compromise, the case is either returned to the court of law or the parties are advised to seek remedy in a court of law. To remove the above drawback, it has been decided to amend the Act to set up permanent Lok Adalats. This will provide compulsory pre-litigation mechanism for conciliation and settlement of cases in certain public utility services.

47. Honourable Members, this year marks the first Decade of Democratic Decentralization through empowerment of Panchayati Raj Institutions. It was ten years ago that this august Parliament passed the historic 73rd and 74th Amendments to the Constitution. The functioning of these grassroots institutions of democracy has improved in many parts of the country. Of great significance is the increased participation, made possible through affirmative action, of women representatives and representatives of other disadvantaged sections of our society. However, we must in all honesty admit that the spirit of this revolutionary initiative has not yet been fully translated into genuine devolution of adequate administrative and financial powers to Panchayati Raj Institutions. I would like the State Governments to self-critically review the gap between the intent of the Constitution and the reality on the ground. On its part, the Union Government has decided to train all elected Panchayat functionaries, at all three levels, within three years.

48. Census 2001 recorded that the population of India was 1,027 million. The decline in both mortality and fertility during the nineties has been lower than the projections and the goals set for the Ninth Plan. However, the decadal growth during 1991-2001 was 21.3 percent declining from 23.9 percent for 1981-91, the sharpest decline since Independence. More than half of the increase in population over the next fifteen years is anticipated in eight States, which are lagging behind in critical socio-demographic indices. The Government has set up an Empowered Action Group to address the needs and problems of these States exclusively.

49. India took a major step last year to achieve universalization of elementary education. I commend all of you for passing the historic Constitution (93rd Amendment) Bill 2001 to make education for all children in the age group of six to fourteen years free and compulsory. It is the birthright of every Indian child to have access not only to education, but to good education. Accordingly, to emphasize and inculcate the culture of quality in the entire education sector, we have decided to observe 2002 as the "Year of Quality Education".

50. The Census 2001 has brought home yet again the incidence of female foeticide, infanticide, and neo-natal mortality, all adverse to the girl child, in several pockets of the country. A massive campaign has been launched to tackle the situation both by social awareness and stringent implementation of the law. The Pre Natal Diagnostics Act is being amended to ensure complete stoppage of sex-determination tests all over the country.

51. India has become polio-free, except in a few, very small pockets. Eradication of polio from these areas is expected by the end of this year. Learning from the success of the anti-polio drive, the Government has intensified mass campaigns against other dreaded diseases like tuberculosis and HIV/AIDS. The anti-tobacco campaign will be further strengthened.

52. Poor sanitation affects the health and housing of a majority of our people. It has also made many parts of our cities and villages look dirty and ugly. The Valmiki Ambedkar Awas Yojana was launched last year to ameliorate the housing problems of slum dwellers. As a sub-component of this new scheme, the Government will soon launch a nationwide programme, called "Nirmal Bharat Abhiyan", to build community toilet complexes in large numbers. These will be maintained by community-based organizations of slum dwellers themselves.

53. The Indian Board for Wildlife, under the Chairmanship of the Prime Minister, has recently adopted a landmark Wildlife Action Plan. Conservation of wildlife shall be declared a national priority. A Forest Commission will soon be set up. State Governments will be assisted to strengthen their staff and other requirements for better upkeep of parks and zoos and to prevent poaching and illicit trade in animal products.

54. To provide Social Security benefits to agricultural workers, the Government has launched "Krishi Shramik Samajik Suraksha Yojana". The scheme, which is being implemented by the Life Insurance Corporation in fifty selected districts of the country, envisages to cover one million agricultural workers over a span of three years.

55. The Ministry of Social Justice and Empowerment has stepped up implementation of various programmes for the welfare of Scheduled Castes, Other Backward Classes, and Minorities. More credit has been made available to the Micro-Financing Programme for funding self-help groups. Under the National Scheme of Liberation and Rehabilitation of Scavengers and their Dependents, Sanitary Marts have started functioning in many States.

56. The Ministry of Tribal Affairs has now decided to expand and modify the Grain Bank Scheme to cover all the 114,000 tribal villages in the country. The Government will provide a one-time grant of two-quintal foodgrains per family along with storage and other costs.

57. The successful development flight of the Geo-synchronous Satellite Launch Vehicle (GSLV) from Sriharikota in April last year, is a significant milestone in the Indian space programme. India is the sixth nation in the world to achieve such a capability. The GSLV will be operational after another two or three test flights. The INSAT system for telecommunications, television broadcasting, and meteorology received a further boost with the successful launch of INSAT-3C last month.

58. India"""""""""""""""""""""""s foreign policy has always served as a reliable protector and an effective promoter of our vital national interests -- in security or in development. In the wake of the happenings of September 11 and December 13, enormous demands were made on our foreign policy establishment last year to put across India"""""""""""""""""""""""s point of view in the capitals of the world. In addition, a hectic schedule of incoming visits by important world leaders enabled the Government to share its perspectives on regional and global issues.

59. Afghanistan is a valued friend in our neighbourhood, a friend with whom we have had cultural, economic, and spiritual exchanges dating back to antiquity. We agonized with the rest of the civilized world the destruction by the Taliban of the Bamiyan Buddhas. India rejoices at the liberation of Afghanistan from the clutches of a fanatical and regressive regime that allowed its soil to become a breeding ground for jihadi terrorism around the world. The establishment of the Afghan Interim Administration on December 22, 2001 in Kabul was an important step in restoration of peace and stability in Afghanistan, as well as in the region. We fully appreciate the enormous task that faces that war-ravaged nation in addressing its humanitarian and reconstruction needs, and are committed to assist the fraternal people of Afghanistan in meeting them. We will soon have the pleasure of receiving Chairman Hamid Karzai of the Afghanistan Interim Administration on a State Visit to India.

60. India and Nepal continue to share traditionally close and friendly relations. Nepal has faced unprecedented challenges in recent months - first with the unfortunate tragedy in the Royal family and then with the continuing senseless killings by Maoist insurgents. We have extended our hand of solidarity and support to the Government, and the people of Nepal in their efforts to restore normalcy and maintain peace and security.

61. We continue to enjoy a close relationship of friendship, mutual trust, and beneficial cooperation with Bhutan.

62. India remains committed to strengthening friendly ties with Bangladesh in all spheres. To this end, there is a new visa regime in place to make travel between the two countries easier and for enhancing people-to-people contacts. Our economic interaction with Bangladesh has diversified in many areas that include services, joint ventures in infrastructure development, transport services, and sharing of river waters.

63. We have also noted with satisfaction the recent efforts in Sri Lanka towards ending ethnic violence and achieving lasting peace. We remain committed to the sovereignty and territorial integrity of Sri Lanka and support the measures to further the peace process.

64. It is a matter of deep satisfaction that there has been a revival of the SAARC process, beginning with the meeting of the Foreign Secretaries in August 2001 in Colombo, and culminating in the Eleventh Summit of Heads of

State and Government in Kathmandu in early January. Steps are being taken to deepen and broaden regional economic cooperation. India is committed to progressive tariff liberalization towards the goal of a South Asian Free Trade Area.

65. India continues to pursue a policy of constructive and positive engagement with Myanmar. Our Consulate General in Mandalay and the Myanmar Consulate General in Kolkata will both be reopened shortly.

66. The longstanding friendship and strategic partnership between India and Russia were further reinforced by regular political consultations on regional and international issues of mutual concern. These are being further intensified through economic cooperation and diversified defence collaboration. A number of important bilateral documents were signed during the Prime Minister"""""""""""""""""""""""""s visit to Russia in November last year.

67. Our bilateral relations with China continued to gain momentum and diversify. The recent visit of Premier Zhu Rongji of China underlined this process. The effort to build trust and understanding continues. With Japan, our Global Partnership is being concretized around the two main pillars of our economic cooperation and our strategic convergences. The Joint Declaration issued during Prime Minister"""""""""""""""""""""""""s visit to Japan in December 2001 sets out the common perspectives of both our countries on important bilateral issues and global challenges.

68. Our relations with Southeast Asian countries and with ASEAN have been on the upswing in recent years. There is a greater realization of the potential for partnership. The first India-ASEAN Summit later this year in Cambodia will be a significant event for the region.

69. India is concerned at the continued escalation of violence in the Middle East, which has derailed the peace process. The international community"""""""""""""""""""""""""s realization is today reinforced that no durable peace can be achieved in the region without a viable State of Palestine, along side Israel, each within secure and recognized borders. We continue to be ready to extend all possible assistance to the fraternal Palestinian people.

70. The political dialogue with Europe was carried forward at the highest level during the visits of German Chancellor Schroeder, UK Prime Minister Tony Blair, and Norwegian Prime Minister Jens Stoltenberg to India. The India-EU Summit held in New Delhi in December 2001 was another milestone in our relationship with the European Union. The institutionalization of summit level interaction recognizes the coalition of interests between India and the EU to meet the challenges of the 21st Century. We remain committed to intensification of our relations of friendship and cooperation with countries of Eastern and Central Europe.

71. Relations with the United States continue to grow stronger. The Prime Minister and subsequently other senior Cabinet Ministers paid successful visits to that country recently. The Government will maintain its policy of broad-based engagement with the United States in pursuit of mutually beneficial bilateral relations and of many common goals in Asia and beyond. The terrorist attacks of September 11 and December 13 have brought the two countries closer in defence of their shared values of democracy, freedom, and pluralism against forces of terror. We will continue to work to further strengthen mutual understanding on security issues and to advance international peace and stability.

72. Africa continues to occupy a special place in our diplomatic interactions. Our relationship with this important continent has strong political foundations based on our principled support for decolonization and national liberation movements and our strong opposition to apartheid. The challenge today is to give even greater economic content to this historic relationship taking into account new and emerging opportunities. A significant feature of our interaction with Africa has been the sustained high level of bilateral exchanges. I visited Mauritius in March last year as the Chief Guest on their National Day. Other bilateral exchanges have taken place and are being planned.

73. With the countries of Central and South America our political and economic relations have been steadily expanding.

74. The High Level Committee on the Indian Diaspora constituted in September 2000 presented its Report to the Prime Minister on January 8, 2002. The Government has accepted the recommendation of the Committee that 9th January every year may be celebrated as "Pravasi Bharatiya Divas". It was on this day that Mahatma Gandhi, himself a Pravasi Bharatiya in South Africa for almost two decades, returned to India in 1915. Up to ten Pravasi Bharatiya Samman Awards will be conferred on prominent Non-Resident Indians or Persons of Indian Origin on Pravasi Bharatiya Divas from next year. The Government intends to restructure the Persons of Indian Origin Card scheme and significantly reduce the fees for the Card.

75. Honourable Members, the Budget session begins today. Apart from the financial agenda relating to the Railway and General Budgets, there is also heavy legislative business awaiting completion in this Session. There are 36 bills pending in the Lok Sabha, and 40 in the Rajya Sabha. Four Ordinances need to be replaced with Bills. We know that the work of Parliament, especially in the Budget session, will be keenly watched by our people whose

hopes and aspirations all of you represent. They especially want to see that the invaluable time of India'"""""""""""""""""""""""'s Parliament is best used for completing all scheduled business.

76. I wish you success in your endeavours.

Jai Hind.

*The President delivered the Address in English.

**Also placed in Library, See No. LT-4893/2002.